

JANUARY, 1839.

Read twice, laid on the table and ordered to be printed.

Mr. THOMAS, from the Committee on Canals and Canal Lands, introduced the following

**BILL****For an Act to provide for a loan for canal purposes.**

1 SEC. 1. *Be it enacted by the People of the State of Illinois, represented in the General Assembly,*  
2 *That in addition to the loans heretofore authorized to be made for the purpose of aiding in the*  
3 *construction of the Illinois and Michigan canal, there shall be borrowed, for the purpose afore-*  
4 *said, a sum not exceeding four millions of dollars, for a term not exceeding fifty years, and at a*  
5 *rate of interest not exceeding six per cent. per annum, payable half-yearly; the payment of*  
6 *interest and reimbursement of principal to be made at such place within or without the United*  
7 *States, and in such currency, as may be agreed on.*

1 SEC. 2. The Governor of the State is authorized and required to execute bonds, for and in  
2 behalf of the State, for any sum or sums of money which may be borrowed under the provisions  
3 of this act, in the English or any foreign language, stipulating for the payment of the interest  
4 and principal, within or without the United States, in such currency as may be agreed on by  
5 the contracting parties; which bonds shall be signed by the Governor, countersigned by the  
6 Auditor of Public Accounts, and the impress of the great seal of State shall be affixed thereon  
7 by the Secretary of State.

1 SEC. 3. The State doth hereby agree and irrevocably pledge its faith to provide sufficient  
2 resources and means with which to pay the interest accruing upon said bonds as it becomes  
3 due and payable, and to reimburse the principal when the same becomes due; and doth hereby  
4 irrevocably pledge, as security for this purpose, all the lands heretofore granted, or which may

5 hereafter be granted to the State of Illinois by the United States to aid the State in the con-  
 6 struction of said canal, and the said canal with all of its appurtenances, and the revenue arising  
 7 from the use of said canal, and every branch or part thereof, subject to the liens heretofore  
 8 created upon the lands, canal and revenues aforesaid, as well as all premiums which may be ob-  
 9 tained from the sale of bonds and certificates of stock created by this act, and the rents, issues  
 10 and profits which may in anywise accrue to the State from the lands and premises herein pledged,  
 11 as well as from water privileges upon the line of the canal.

1 SEC. 4. It shall be deemed a good execution of the power to borrow, to sell the bonds herein  
 2 authorized to be made; and the said bonds shall be so framed as that they shall be in form and  
 3 substance certificates of stock, and shall be called the "Illinois and Michigan Canal Stock."

1 SEC. 5. When bonds shall have been executed as required by this act, the Governor is  
 2 authorized to constitute and appoint a suitable agent or agents to sell and transfer the same,  
 3 and vest the said agent or agents with full power to take all proper means and measures for  
 4 the sale and transfer of said bonds.

1 SEC. 6. All money obtained under the provisions of this act shall be kept and used accord-  
 2 ing to the provisions of the law now in force in relation to the canal fund.

1 SEC. 7. The right is reserved to the State to sell any of the lands pledged by this act, and  
 2 the proceeds of sales to be applied exclusively to the payment of interest upon canal loans, or  
 3 to expenses of constructing the canal.

1 SEC. 8. No bonds shall be sold, under the provisions of this act, for less than their par value.